ARES
COMMERCIAL REAL ESTATE CORPORATION

First Quarter 2024 Earnings Presentation

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Company Highlights

Loan Portfolio

$2.0 billion
outstanding principal balance

98%
senior loans

Reduced loans on non-accrual status by $133 million or 31% since 4Q 2023

Earnings and Dividends

$(0.23)
1Q GAAP net income (loss) per diluted common share

$(0.62)
1Q Distributable Earnings (Loss) per diluted common share[1]

$0.22
1Q Distributable Earnings per diluted common share excluding realized losses of $0.84 per diluted common share[1,2]

$0.25 declared 2Q 2024 regular cash dividend per common share

Balance Sheet Positioning

8%
reduction in outstanding borrowings to $1.5 billion

1.9x
net debt to equity ratio excluding CECL reserve[3]

$175 million
of available capital[4]

No spread based mark to market provisions

Ares Sponsorship

$428.3 billion
ARES AUM[5]

$48.8 billion
ARES real estate platform AUM

Benefits from market intelligence and deep relationships

Note: As of March 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Distributable Earnings (Loss) and Distributable Earnings excluding realized losses are non-GAAP financial measures. See page 22 for Distributable Earnings (Loss) and Distributable Earnings excluding realized losses definitions and page 20 for the Reconciliation of Net Income (Loss) to Non-GAAP Distributable Earnings (Loss) and Distributable Earnings excluding realized losses.
2. Distributable Earnings excluding realized losses per diluted common share is calculated as Distributable Earnings (Loss) of $(34) million or $(0.62) per diluted common share plus realized losses of $46 million or $0.84 per diluted common share.
3. Net debt to equity ratio (excluding CECL reserves) is calculated as (i) $1.5 billion of outstanding principal of borrowings less $100 million of cash, (ii) divided by the sum of total stockholders' equity of $601 million plus CECL reserve of $141 million at March 31, 2024. Net debt to equity ratio including CECL reserve is 2.3x. Total debt to equity ratio excluding CECL reserve is 2.0x and including CECL reserve is 2.5x.
4. As of March 31, 2024, includes $100 million of unrestricted cash and $75 million of available financing proceeds under the secured revolving funding agreement with City National Bank ("CNB Facility"). The $75 million committed amount of the CNB Facility remains unchanged, however, subsequent to March 31, 2024, the amount available was reduced to $50 million subject to increase to $75 million as additional collateral is pledged.
5. Ares AUM includes funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser.

Summary of 1Q 2024 Results and Activity

Earnings Results	• 1Q 2024 GAAP net income (loss) of $(0.23) per diluted common share • 1Q 2024 Distributable Earnings (Loss) of $(0.62) per diluted common share[1] • 1Q 2024 Distributable Earnings of $0.22 per diluted common share excluding realized losses of $0.84 per diluted common share[1,2] • Book value per common share of $11.04 (or $13.63 excluding CECL reserve) as of March 31, 2024[3]
1Q 2024 Update	• Exited or restructured four previous underperforming loans, totaling $187 million of outstanding principal balance • Non-accrual loans declined by $133 million or 31% since 4Q 2023, with no new non-accrual loans in 1Q 2024 • Office loans declined by $69 million or 8% of outstanding principal balance of office loans since 4Q 2023 • Resolutions led to $0.02 per share of additional quarterly earnings impact during 1Q 2024
Credit & Loss Reserves	• Realized loss of $46 million upon exiting two previously risk rated 5 loans and one loan held for sale • $141 million CECL reserve at 1Q 2024
Balance Sheet Positioning	• Reduced outstanding borrowings by 8% from repayment and exit activity, resulting in a net debt to equity ratio excluding CECL reserve of 1.9x[4] • Available capital of $175 million[5] plus additional unlevered assets that may be financed to further increase available capital and earnings potential[6]
Dividends	• Declared cash dividend of $0.25 per common share for shareholders for 2Q 2024

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3. Book value per common share excluding CECL reserve is calculated as (i) total stockholders' equity of $601 million plus CECL reserve of $141 million divided by (ii) total outstanding common shares of 54,422,613 as of March 31, 2024.
4. Net debt to equity ratio (excluding CECL reserves) is calculated as (i) $1.5 billion of outstanding principal of borrowings less $100 million of cash, (ii) divided by the sum of total stockholders' equity of $601 million plus CECL reserve of $141 million at March 31, 2024. Net debt to equity ratio including CECL reserve is 2.3x. Total debt to equity ratio excluding CECL reserve is 2.0x and including CECL reserve is 2.5x.
5. As of March 31, 2024, includes $100 million of unrestricted cash and $75 million of available financing proceeds under the secured revolving funding agreement with City National Bank ("CNB Facility"). The $75 million committed amount of the CNB Facility remains unchanged, however, subsequent to March 31, 2024, the amount available was reduced to $50 million subject to increase to $75 million as additional collateral is pledged.
6. Additional unlevered assets that may be financed in the future include $82 million of total real estate owned net of depreciation, $28 million floating rate investment grade debt securities and other assets that are not levered.

Portfolio Overview

Focused on maximizing outcomes for our risk rated 4 and 5 loans

Risk Rated 1-3 Loan Portfolio

$1.5 billion Portfolio Size[2]

36 Loans

- Majority Collateralized by Multifamily, Industrial, Self-Storage and Other Property Types[2,4]
- CECL Reserve is Approximately 1% of Loan Balance[2,5]
- More than $138 Million of Additional Borrower Capital Contributions in the LTM[7]
- All Borrowers Renewed Expiring Interest Rate Caps in the LTM[9]

Risk Rated 4 & 5 Loan Portfolio

$0.5 billion Portfolio Size[3]

8 Loans

- 77% is Collateralized by Office and Residential / Condo Properties[3]
- 89% of Total CECL Reserve Relates to Risk Rated 4 and 5 Loans[6]
- CECL Reserve is 25% of Loan Balance[8]
- CECL Reserve is 28% of Loan Balance for Office Loans[10]

Note: As of March 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Based on outstanding principal balance of loans held for investment.
2. Based on outstanding principal balance of loans with risk ratings of 1, 2 or 3.
3. Based on outstanding principal balance of loans with risk ratings of 4 or 5.
4. Other Property Types is comprised of Mixed-Use, Hospitality and Student Housing property types.
5. CECL reserve of $16 million on risk rated 1, 2 and 3 loans.
6. $125 million of the $141 million total CECL reserve related to loans risk rated 4 and 5.
7. Includes borrower capital contributions relating to the purchase of interest rate caps, current interest payments, debt paydowns, tenant improvements and leasing commissions, interest and carry reserves and other items.
8. $125 million of CECL reserve for risk rated 4 and 5 loans as a percentage of the $0.5 billion in outstanding principal balance of risk rated 4 and 5 loans.
9. Interest rate caps relating to risk rated 1-3 loans that expired in the last twelve months ("LTM") were renewed at their prior strike or economically equivalent amount after considering additional reserves.
10. Based on outstanding principal balance of loans backed by office properties with risk ratings of 4 or 5.

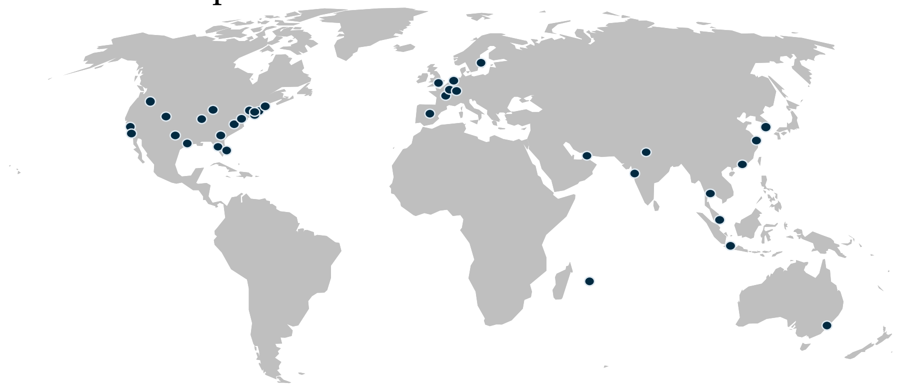
Ares Management

With approximately $428 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating an integrated platform across five business groups

Profile

Founded	1997
AUM	$428bn
Employees	2,900+
Investment Professionals	1,000+
Global Offices	35+
Direct Institutional Relationships	2,400+
Listing: NYSE – Market Capitalization	$41.1bn[1]

Global Footprint[2]



The Ares Differentiators

Power of a broad and scaled platform enhancing investment capabilities

Deep management team with integrated and collaborative approach

20+ year track record of attractive risk adjusted returns through market cycles

A pioneer and leader in leveraged finance, private credit and secondaries

	Credit	Real Assets	Private Equity	Secondaries	Other Businesses
AUM	$308.6bn	$64.1bn	$24.5bn	$25.6bn	$5.5bn
Strategies	Direct Lending	Real Estate Equity	Corporate Private Equity	Private Equity Secondaries	Ares Insurance Solutions[4]
	Liquid Credit	Real Estate Debt	APAC Private Equity	Real Estate Secondaries	Ares Acquisition Corporation[5]
	Alternative Credit	Infrastructure Opportunities		Infrastructure Secondaries	
	Opportunistic Credit[3]	Infrastructure Debt		Credit Secondaries	
	APAC Credit				

Note: As of March 31, 2024, AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results.

1. As of April 1, 2024.
2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.
3. In Q1 2024, we moved our Special Opportunities strategy from our Private Equity Group into our Credit Group as Opportunistic Credit. The fund name remains Special Opportunities. Opportunistic Credit has been reclassified and presented within the Credit Group and reflected on a historical basis.
4. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares' investment groups or invested in Ares funds and investment vehicles.
5. AUM includes Ares Acquisition Corporation ("AAC") and Ares Acquisition Corporation II ("AACT").

Ares Real Estate Group Capabilities

Global real estate investment manager with vertically integrated operating platform that seeks to generate compelling risk-adjusted performance[1] through market cycles

$48.8 billion
Real Estate AUM

270+
Investment Professionals

17
Offices and Market Coverage Locations

500+
Real Estate Investments Globally

Core/Core-Plus	Value-Add	Opportunistic
Private Debt		
Private Equity Real Estate		

Key Advantages

- Scaled Real Estate Platform Experienced Across All Sectors
- Cycle-Tested & Collaborative Team with Local Networks
- Specialized 170+ Industrial-Focused Professionals
- Real Time Corporate & Market Insights

Note: March 31, 2024, unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. All investments involve risk, including loss of principal. References to "risk-adjusted performance" or similar phrases are not guarantees against loss of investment capital or value.

ARES COMMERCIAL REAL ESTATE CORPORATION

Addressing Underperforming Loans

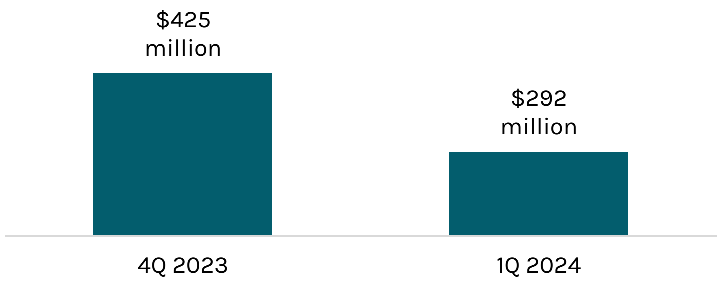
» During 1Q 2024, we made meaningful progress lowering loans on non-accrual and exposure to loans backed by office properties

Addressed Four Underperforming Loans During 1Q 2024[1]

1. Restructured a $74 million office loan
2. Exited a $57 million office loan
3. Exited a $38 million mixed-use loan held for sale
4. Exited a $19 million multifamily loan

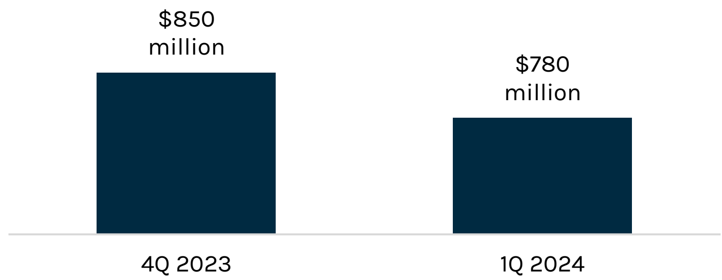
Reduced Dollars of Loans on Non-Accrual[2]

31% reduction quarter over quarter



Reduced ACRE's Loans Backed by Office Properties[3]

8% reduction quarter over quarter

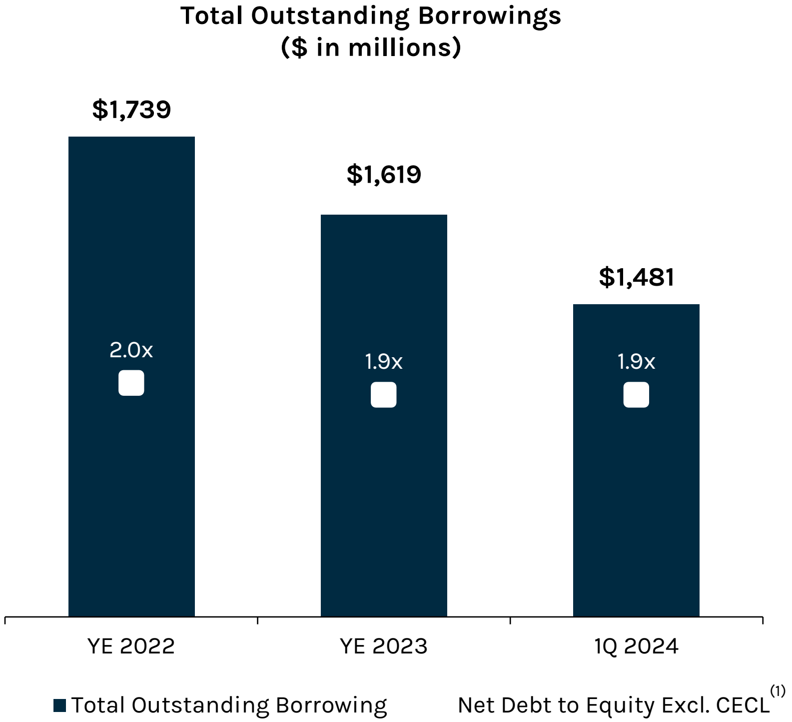


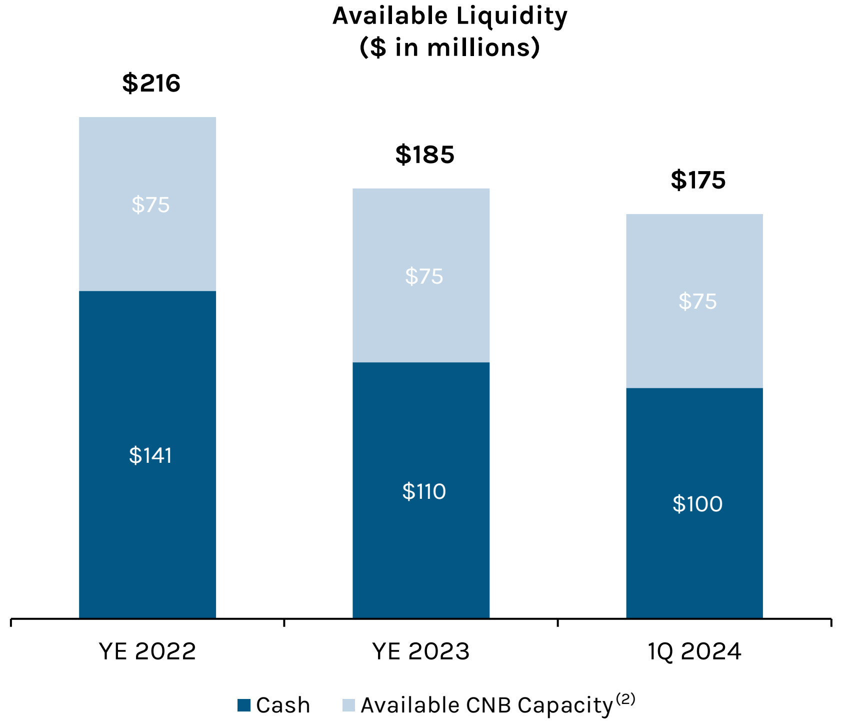
Note: As of March 31, 2024 unless otherwise noted. Past performance is not indicative of future results.
1. Loan balances relate to outstanding principal balance at time of respective resolution.
2. Based on outstanding principal balance of non-accrual loans.
3. Based on outstanding principal balance of loans backed by office properties.

Balance Sheet and Capital Position Provides Flexibility

» Further de-levered balance sheet and maintained available liquidity to support positive outcomes on underperforming loans

Further De-Leveraged & Maintained Available Liquidity





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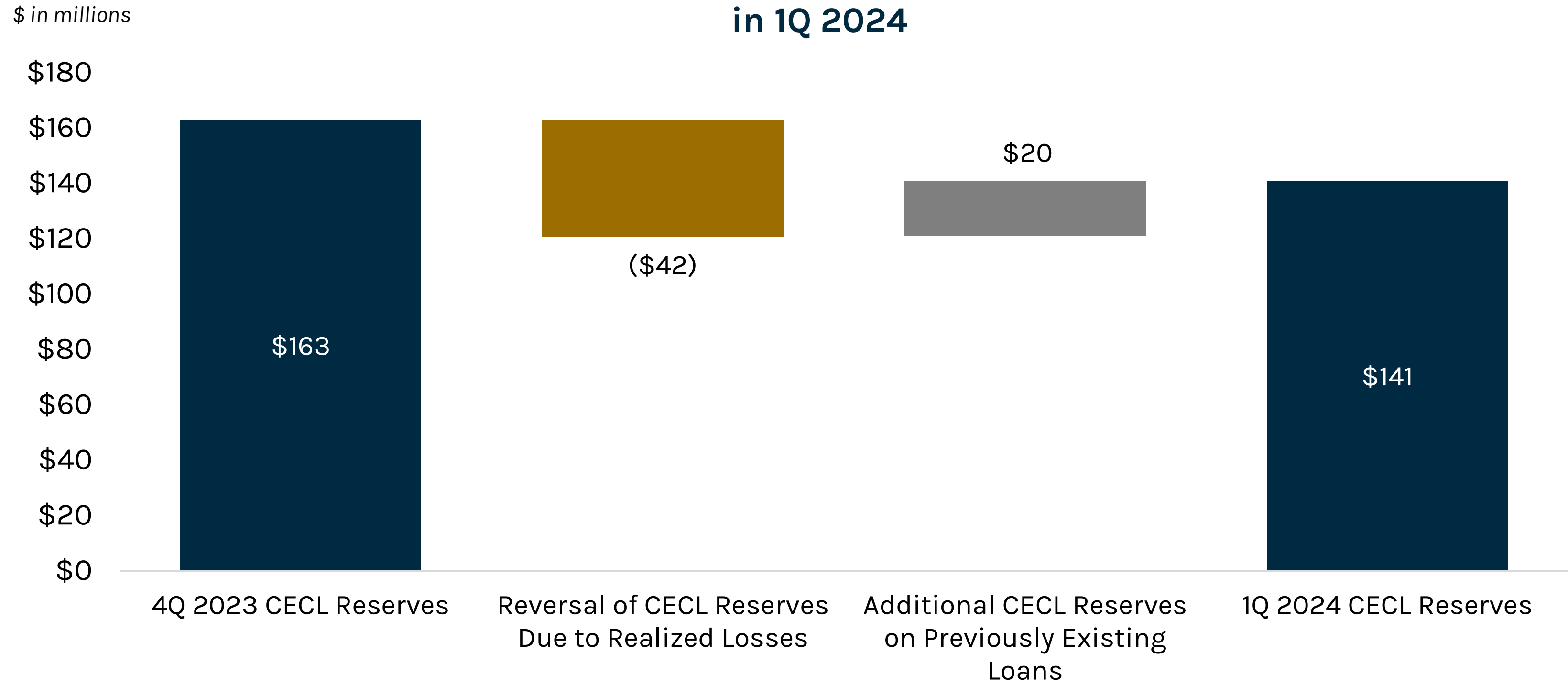
CECL Reserves Trends

- Reduction in CECL reserves primarily reflects the reversal of previous reserves associated with the realization of losses on exited loans

ACRE CECL Reserve Change in 1Q 2024



Note: As of March 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Numbers may not sum due to rounding.

ARES COMMERCIAL REAL ESTATE CORPORATION

Current Expected Credit Loss Reserves

- CECL reserves are approximately 7% of total loans(1)

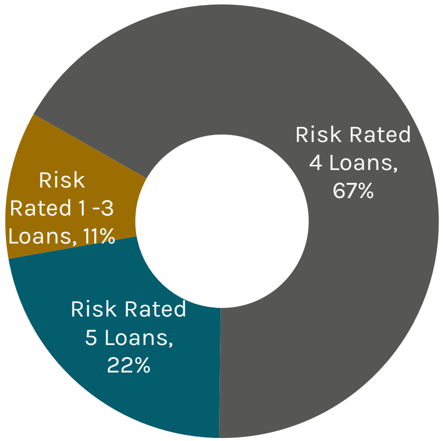
$141 million

Total CECL Reserves

7%

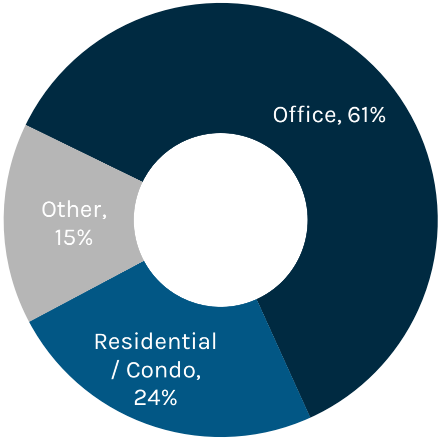
CECL Reserve as a Percent of All Loans Held for Investment(1)

CECL Reserves by Risk Rating



89%
CECL reserve relates to risk rated 4 and 5 loans

CECL Reserves by Property Type



85%
CECL reserve relates to office and residential / condo loans

Note: As of March 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Percentage of loans held for investment based on outstanding principal balance.

CECL Reserves for Risk Rated 4 and 5 Loans

- Office and residential / condo loans drive the CECL reserves on risk rated 4 and 5 loans

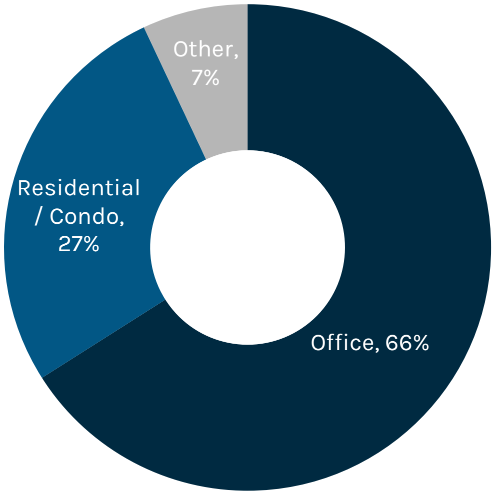
$125 million

CECL Reserves for Risk Rated 4 and 5 Loans

25%

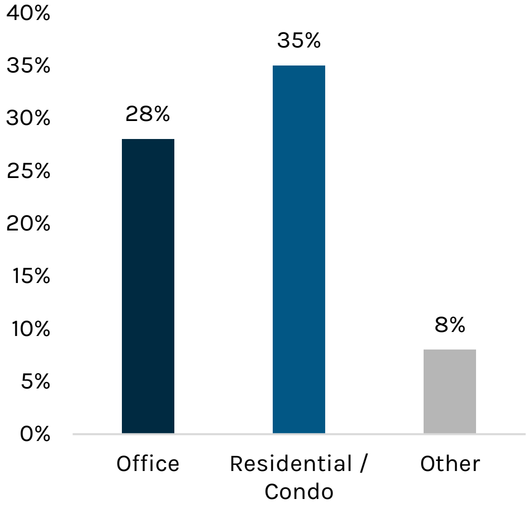
CECL Reserves as a Percent of Risk Rated 4 and 5 Loan Balance[1]

Risk Rated 4 and 5 Loans CECL Reserves by Property Type



92%
Of the $125 million CECL reserves for risk rated 4 and 5 loans relates to office and residential / condo loans

Risk Rated 4 and 5 Loans CECL Reserves as a Percent of Loan Balance[2]



Note: As of March 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.
1. Based on outstanding principal balance of loans with risk ratings of 4 or 5.
2. Based on outstanding principal balance of loans with risk ratings of 4 or 5 by property type.

Appendix

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Office Loans:											
1	Senior	IL	Nov 2020	$160.2	$160.2	$154.0	(2)	1.5%	7.6%[2]	Mar 2025	I/O
2	Senior	Diversified	Jan 2020	109.2	109.0	108.8	S+3.75%	1.6%	9.3%	Jan 2025	P/I
3	Senior	AZ	Sep 2021	100.7	71.8	71.6	S+3.61%	0.1%	9.4%	Oct 2024	I/O
4	Senior	NC	Aug 2021	85.0	68.9	68.8	S+3.65%	0.2%	9.4%	Aug 2024	I/O
5	Senior	NC	Mar 2019	68.6	68.6	65.5	S+4.35%	2.3%	—%[3]	May 2024	P/I
6	Senior	NY	Jul 2021	59.0	59.0	59.0	S+2.65%	3.0%	8.0%[4]	Jul 2027[4]	I/O
7	Senior	IL	Dec 2022	56.0	56.0	55.8	S+4.25%	3.0%	10.1%	Jan 2025	I/O
8	Senior	MA	Apr 2022	82.2	50.1	49.7	S+3.75%	—%	9.9%	Apr 2025	I/O
9	Senior	GA	Nov 2019	48.4	48.4	48.3	S+3.15%	1.9%	8.7%	Dec 2024	P/I
10	Senior	CA	Oct 2019	33.2	33.2	30.6	S+3.45%	1.9%	—%[5]	Dec 2023[5]	I/O
11	Senior	CA	Nov 2018	20.4	20.4	20.3	S+3.50%	2.3%	9.1%	Nov 2025	P/I
12	Subordinated	NJ	Mar 2016	18.5	18.5	15.8	12.00%	—%	—%[6]	Jan 2026	I/O
13	Subordinated	NY	Jul 2021	9.8	9.8	7.6	5.50%	—%	—%[4]	Jul 2027[4]	I/O
Total Office[7]				**$851.2**	**$773.9**	**$755.8**					

Note: As of March 31, 2024.

1. I/O = interest only, P/I = principal and interest.
2. The Illinois loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior position has a per annum interest rate of S + 2.25% and the mezzanine position has a fixed per annum interest rate of 10.00%. The mezzanine position of this loan, which had an outstanding principal balance of $46.2 million as of March 31, 2024, was on non-accrual status as of March 31, 2024 and therefore, the Unleveraged Effective Yield presented is for the senior position only as the mezzanine position is non-interest accruing.
3. Loan was on non-accrual status as of March 31, 2024 and the Unleveraged Effective Yield is not applicable.
4. In March 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, split the existing senior New York loan, which was on non-accrual status and had an outstanding principal balance of $73.8 million at the time of the modification, into a senior A-Note with an outstanding principal balance of $60.0 million and a subordinated B-Note with an outstanding principal balance of $13.8 million. In conjunction with the modification, the borrower repaid the outstanding principal of the senior A-Note down to $59.0 million and the subordinated B-Note down to $9.8 million. The subordinated B-Note is subordinate to new sponsor equity related to the loan paydown and additional capital contributions. In addition, the maturity date of the senior A-Note and the subordinated B-Note was extended from August 2025 to July 2027. The senior A-Note has a per annum interest rate of S + 2.65% and the subordinated B-Note has a fixed per annum interest rate of 5.50%. During the three months ended March 31, 2024, the senior A-Note, which had an outstanding principal balance of $59.0 million as of March 31, 2024, was restored to accrual status. As of March 31, 2024, the subordinated B-Note, which had an outstanding principal balance of $9.8 million, was on non-accrual status and therefore, the Unleveraged Effective Yield is not applicable.
5. Loan was on non-accrual status as of March 31, 2024 and the Unleveraged Effective Yield is not applicable. As of March 31, 2024, the senior California loan, which is collateralized by an office property, is in maturity default due to the failure of the borrower to repay the outstanding principal balance of the loan by the December 2023 maturity date. The Company is in the process of a foreclosure of the property with legal title of the property expected to be acquired in the second quarter of 2024. Once legal title of the property is acquired, the Company will derecognize the senior California loan and recognize the office property as real estate owned.
6. Loan was on non-accrual status as of March 31, 2024 and the Unleveraged Effective Yield is not applicable. The mezzanine New Jersey loan is currently in default due to the borrower not making its contractual interest payments due subsequent to the December 2023 interest payment date.
7. Total office current loan commitment includes one loan collateralized by a life sciences property totaling $82.2 million current loan commitment, $50.1 million outstanding principal balance and $49.7 million carrying value.

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Multifamily Loans:											
14	Senior	NY	May 2022	$133.0	$132.2	$131.5	S+3.90%	0.2%	9.7%	Jun 2025	I/O
15	Senior	TX	Jun 2022	97.5	97.5	97.1	S+3.00%	1.5%	8.8%	Jul 2025	I/O
16	Senior	TX	Nov 2021	68.8	68.4	68.3	S+2.95%	—%	8.7%	Dec 2024	I/O
17	Senior[2]	SC	Dec 2021	67.0	67.0	66.9	S+3.00%	—%	8.6%	Nov 2024	I/O
18	Senior	OH	Sep 2023	57.8	57.0	56.5	S+3.05%	2.5%	8.8%	Oct 2026	I/O
19	Senior	CA	Nov 2021	31.7	31.7	31.6	S+3.00%	—%	8.6%	Dec 2025	I/O
20	Senior	PA	Dec 2018	28.2	28.2	28.2	S+2.50%	2.8%	7.8%	Dec 2025	I/O
21	Senior	WA	Dec 2021	23.1	23.1	23.0	S+3.00%	—%	8.5%	Nov 2025	I/O
22	Senior	TX	Oct 2021	23.1	23.0	23.0	S+2.60%	—%	8.3%	Oct 2024	I/O
23	Subordinated	SC	Aug 2022	20.6	20.6	20.5	S+9.53%	1.5%	15.3%	Sep 2025	I/O
Total Multifamily				**$550.8**	**$548.7**	**$546.6**					
Industrial Loans:											
24	Senior	IL	May 2021	$100.7	$100.7	$100.7	S+4.65%	0.1%	10.4%	May 2024	I/O
25	Senior	MA	Jun 2023	49.0	47.5	47.2	S+2.90%	—%	8.4%	Jun 2028	I/O
26	Senior	NJ	Jun 2021	28.3	27.8	27.8	S+3.85%	0.2%	9.8%	May 2024	I/O
27	Senior	FL	Dec 2021	25.5	25.5	25.4	S+3.00%	—%	8.6%	Dec 2025	I/O
28	Senior	CA	Aug 2019	19.6	19.6	18.7	S+3.85%	2.0%	—%[3]	Sep 2024	I/O
29	Senior	TX	Nov 2021	10.0	10.0	10.0	S+5.35%	0.2%	11.1%	Dec 2024	I/O
30	Senior	TN	Oct 2021	6.4	6.4	6.4	S+5.60%	0.2%	11.3%	Nov 2024	I/O
Total Industrial				**$239.5**	**$237.5**	**$236.2**					

Note: As of March 31, 2024.

1. I/O = interest only, P/I = principal and interest.
2. Loan commitment is allocated between a multifamily property ($61 million) and an office property ($6 million).
3. Loan was on non-accrual status as of March 31, 2024 and the Unleveraged Effective Yield is not applicable.

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Residential/Condominium Loans:											
31	Senior	NY	Mar 2022	$96.2	$96.2	$88.3	S+8.95%	0.4%	—%[2]	Dec 2025	I/O
32	Senior	FL	Jul 2021	75.0	75.0	75.0	S+5.35%	—%	10.7%	Jul 2024	I/O
Total Residential/Condominium				**$171.2**	**$171.2**	**$163.3**					
Mixed-Use Loans:											
33	Senior	NY	Jul 2021	$78.3	$76.3	$76.3	S+3.75%	—%	9.4%	Jul 2024	I/O
34	Senior	TX	Sep 2019	35.3	35.3	35.3	S+3.85%	0.7%	9.4%	Sep 2024	I/O
Total Mixed-Use				**$113.6**	**$111.6**	**$111.6**					
Hotel Loans:											
35	Senior	NY	Mar 2022	$55.7	$52.9	$52.6	S+4.40%	0.1%	10.1%	Mar 2026	I/O
36	Senior	CA	Mar 2022	60.8	50.9	50.7	S+4.20%	—%	10.0%	Mar 2025	I/O
Total Hotel				**$116.5**	**$103.8**	**$103.3**					

Note: As of March 31, 2024.
1. I/O = interest only, P/I = principal and interest.
2. The New York loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior and mezzanine positions each have a per annum interest rate of S + 8.95%. The senior and mezzanine loans were both on non-accrual status as of March 31, 2024 and the Unleveraged Effective Yield is not applicable.

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Self Storage Loans:											
37	Senior	PA	Mar 2022	$18.2	$18.2	$18.1	S+3.00%	1.0%	8.6%	Dec 2025	I/O
38	Senior	NJ	Aug 2022	17.6	17.6	17.5	S+2.90%	1.0%	9.0%	Apr 2025	I/O
39	Senior	WA	Aug 2022	11.5	11.5	11.4	S+2.90%	1.0%	9.0%	Mar 2025	I/O
40	Senior	IN	Sep 2023	11.4	11.0	11.0	S+3.60%	0.9%	9.0%	Jun 2026	I/O
41	Senior	MA	Apr 2022	7.7	7.7	7.7	S+3.00%	0.8%	8.5%	Nov 2024	I/O
42	Senior	MA	Apr 2022	6.8	6.8	6.7	S+3.00%	0.8%	8.5%	Oct 2024	I/O
43	Senior	NJ	Mar 2022	5.9	5.9	5.9	S+3.00%	0.8%	8.8%	Jul 2024	I/O
Total Self Storage				**$79.1**	**$78.7**	**$78.3**					
Student Housing Loans:											
44	Senior	AL	Apr 2021	$19.5	$19.5	$19.4	S+3.95%	0.1%	9.6%	May 2024	I/O
Total Student Housing				**$19.5**	**$19.5**	**$19.4**					
Loan Portfolio Total/Weighted Average				**$2,141.4**	**$2,044.9**	**$2,014.5**		**1.2%[2]**	**7.9%**		

Note: As of March 31, 2024.
1. I/O = interest only, P/I = principal and interest.
2. The weighted average floor is calculated based on loans with SOFR floors.

Consolidated Balance Sheets

($ in thousands, except share and per share data)	As of 3/31/2024		As of 12/31/2023	
ASSETS				
Cash and cash equivalents	$	99,518	$	110,459
Loans held for investment ($773,904 and $892,166 related to consolidated VIEs, respectively)		2,014,500		2,126,524
Current expected credit loss reserve		(139,763)		(159,885)
Loans held for investment, net of current expected credit loss reserve		1,874,737		1,966,639
Loans held for sale, at fair value ($38,981 related to consolidated VIEs as of December 31, 2023)		—		38,981
Investment in available-for-sale debt securities, at fair value		28,148		28,060
Real estate owned, net		82,499		83,284
Other assets ($3,537 and $3,690 of interest receivable related to consolidated VIEs, respectively; $6,539 and $32,002 of other receivables related to consolidated VIEs, respectively)		25,795		52,354
Total assets	**$**	**2,110,697**	**$**	**2,279,777**
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
Secured funding agreements	$	630,299	$	639,817
Notes payable		104,714		104,662
Secured term loan		149,443		149,393
Collateralized loan obligation securitization debt (consolidated VIEs)		595,105		723,117
Due to affiliate		4,281		4,135
Dividends payable		13,802		18,220
Other liabilities ($1,918 and $2,263 of interest payable related to consolidated VIEs, respectively)		11,964		14,584
Total liabilities		**1,509,608**		**1,653,928**
Commitments and contingencies				
STOCKHOLDERS' EQUITY				
Common stock, par value $0.01 per share, 450,000,000 shares authorized at March 31, 2024 and December 31, 2023 and 54,422,613 and 54,149,225 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively		532		532
Additional paid-in capital		813,468		812,184
Accumulated other comprehensive income		234		153
Accumulated earnings (deficit)		(213,145)		(187,020)
Total stockholders' equity		**601,089**		**625,849**
Total liabilities and stockholders' equity	**$**	**2,110,697**	**$**	**2,279,777**

Consolidated Statements of Operations

($ in thousands, except share and per share data)	For the Three Months Ended 3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Revenue:					
Interest income	$ 44,033	$ 44,348	$ 52,819	$ 51,941	$ 49,500
Interest expense	(28,819)	(29,957)	(29,745)	(26,951)	(22,999)
Net interest margin	**15,214**	**14,391**	**23,074**	**24,990**	**26,501**
Revenue from real estate owned	3,478	3,161	809	—	—
Total revenue	**18,692**	**17,552**	**23,883**	**24,990**	**26,501**
Expenses:					
Management and incentive fees to affiliate	2,768	2,946	2,974	3,334	3,010
Professional fees	533	974	682	626	771
General and administrative expenses	2,081	1,830	1,691	2,038	1,685
General and administrative expenses reimbursed to affiliate	1,132	818	775	1,109	732
Expenses from real estate owned	2,037	2,038	480	—	—
Total expenses	**8,551**	**8,606**	**6,602**	**7,107**	**6,198**
Provision for current expected credit losses	(22,269)	47,452	3,227	20,127	21,019
Realized losses on loans	45,726	—	4,886	—	5,613
Unrealized losses on loans held for sale	(995)	995	—	—	—
Income (loss) before income taxes	**(12,321)**	**(39,501)**	**9,168**	**(2,244)**	**(6,329)**
Income tax expense (benefit), including excise tax	2	(87)	(16)	(46)	110
Net income (loss) attributable to common stockholders	**$ (12,323)**	**$ (39,414)**	**$ 9,184**	**$ (2,198)**	**$ (6,439)**
Earnings per common share:					
Basic earnings (loss) per common share	$ (0.23)	$ (0.73)	$ 0.17	$ (0.04)	$ (0.12)
Diluted earnings (loss) per common share	$ (0.23)	$ (0.73)	$ 0.17	$ (0.04)	$ (0.12)
Weighted average number of common shares outstanding:					
Basic weighted average shares of common stock outstanding	54,396,397	54,111,544	54,085,035	54,347,204	54,591,650
Diluted weighted average shares of common stock outstanding	54,396,397	54,111,544	54,796,413	54,347,204	54,591,650
Dividends declared per share of common stock[1]	$ 0.25	$ 0.33	$ 0.33	$ 0.35	$ 0.35

1. There is no assurance dividends will continue at these levels or at all.

Reconciliation of Net Income (Loss) to Non-GAAP Distributable Earnings (Loss)

($ in thousands, except per share data)	For the Three Months Ended 3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Net income (loss) attributable to common stockholders	$ (12,323)	$ (39,414)	$ 9,184	$ (2,198)	$ (6,439)
Stock-based compensation	1,284	1,041	986	1,004	960
Incentive fees to affiliate	–	–	–	334	–
Depreciation and amortization of real estate owned	786	809	206	–	–
Provision for current expected credit losses	(22,269)	47,452	3,227	20,127	21,019
Realized gain on termination of interest rate cap derivative[1]	–	(105)	(93)	(266)	(457)
Unrealized losses on loans held for sale	(995)	995	–	–	–
Distributable Earnings (Loss)	**$ (33,517)**	**$ 10,778**	**$ 13,510**	**$ 19,001**	**$ 15,083**
Realized losses on loans	45,726	–	4,886	–	5,613
Distributable Earnings excluding realized losses	**$ 12,209**	**$ 10,778**	**$ 18,396**	**$ 19,001**	**$ 20,696**
Net income (loss) attributable to common stockholders	(0.23)	$ (0.73)	$ 0.17	$ (0.04)	$ (0.12)
Stock-based compensation	0.02	0.02	0.02	0.02	0.02
Incentive fees to affiliate	–	–	–	0.01	–
Depreciation and amortization of real estate owned	0.01	0.01	–	–	–
Provision for current expected credit losses	(0.41)	0.88	0.06	0.37	0.39
Realized gain on termination of interest rate cap derivative[1]	–	–	–	–	(0.01)
Unrealized losses on loans held for sale	(0.02)	0.02	–	–	–
Basic Distributable Earnings (Loss) per common share	**$ (0.62)**	**$ 0.20**	**$ 0.25**	**$ 0.35**	**$ 0.28**
Realized losses on loans	0.84	–	0.09	–	0.10
Basic Distributable Earnings excluding realized losses per common share	**$ 0.22**	**$ 0.20**	**$ 0.34**	**$ 0.35**	**$ 0.38**
Net income (loss) attributable to common stockholders	(0.23)	$ (0.72)	$ 0.17	$ (0.04)	$ (0.12)
Stock-based compensation	0.02	0.02	0.02	0.02	0.02
Incentive fees to affiliate	–	–	–	0.01	–
Depreciation and amortization of real estate owned	0.01	0.01	–	–	–
Provision for current expected credit losses	(0.41)	0.87	0.06	0.37	0.38
Realized gain on termination of interest rate cap derivative[1]	–	–	–	–	(0.01)
Unrealized losses on loans held for sale	(0.02)	0.02	–	–	–
Diluted Distributable Earnings (Loss) per common share	**$ (0.62)**	**$ 0.20**	**$ 0.25**	**$ 0.35**	**$ 0.27**
Realized losses on loans	0.84	–	0.09	–	0.10
Diluted Distributable Earnings excluding realized losses per common share	**$ 0.22**	**$ 0.20**	**$ 0.34**	**$ 0.35**	**$ 0.37**

1. For the three months ended December 31, 2023, September 30, 2023, June 30, 2023, and March 31, 2023, Distributable Earnings includes $0.1 million, $0.1 million, $0.3 million, and $0.5 million, respectively, adjustment to reverse the impact of the $2.0 million realized gain from the termination of the interest rate cap derivative that was amortized into GAAP net income.

ARES
COMMERCIAL REAL ESTATE CORPORATION

Diverse Sources of Financing Supports Portfolio

» Diversified financing sources totaling $2.1 billion with $649.7 million of undrawn capacity

($ in millions) Financing Sources	Total Commitments	Outstanding Principal	Pricing Range	Mark to Credit	Non Spread Based Mark to Market
Secured Funding Agreements					
Wells Fargo Facility	$450.0	$216.5	SOFR+1.50 to 3.75%	✓	✓
Citibank Facility	325.0	204.1	SOFR+1.50 to 2.10%	✓	✓
CNB Facility	75.0	–	SOFR+3.25%	✓	✓
Morgan Stanley Facility	250.0	209.7	SOFR+1.60 to 3.10%	✓	✓
MetLife Facility	180.0	–	SOFR+2.50%	✓	✓
Subtotal	**$1,280.0**	**$630.3**			
Asset Level Financing					
Notes Payable	$105.0	$105.0	SOFR + 2.00%	✓	✓
Capital Markets					
Secured Term Loan	$150.0	$150.0	4.50% (Fixed)	✓	✓
2017-FL3 Securitization	414.4	414.4	SOFR+ 1.86%	✓	✓
2021-FL4 Securitization	181.3	181.3	SOFR+ 1.94%	✓	✓
Subtotal	**$745.7**	**$745.7**			
Total Debt	$2,130.7	$1,481.0			

Note: As of March 31, 2024.

ARES COMMERCIAL REAL ESTATE CORPORATION

Glossary

Distributable Earnings (Loss)	Distributable Earnings (Loss) is a non-GAAP financial measure that helps the Company evaluate its financial performance excluding the effects of certain transactions and GAAP adjustments that it believes are not necessarily indicative of its current loan origination portfolio and operations. To maintain the Company’s REIT status, the Company is generally required to annually distribute to its stockholders substantially all of its taxable income. The Company believes the disclosure of Distributable Earnings (Loss) provides useful information to investors regarding the Company's ability to pay dividends, which the Company believes is one of the principal reasons investors invest in the Company. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Distributable Earnings (Loss) is defined as net income (loss) computed in accordance with GAAP, excluding non-cash equity compensation expense, the incentive fees the Company pays to its Manager, depreciation and amortization (to the extent that any of the Company’s target investments are structured as debt and the Company forecloses on any properties underlying such debt), any unrealized gains, losses or other non-cash items recorded in net income (loss) for the period, regardless of whether such items are included in other comprehensive income or loss, or in net income (loss), one-time events pursuant to changes in GAAP and certain non-cash charges after discussions between the Company’s manager and the Company’s independent directors and after approval by a majority of the Company’s independent directors. Loan balances that are deemed to be uncollectible are written off as a realized loss and are included in Distributable Earnings (Loss). Distributable Earnings (Loss) is aligned with the calculation of “Core Earnings,” which is defined in the Management Agreement and is used to calculate the incentive fees the Company pays to its Manager. Distributable Earnings excluding realized losses is Distributable Earnings (Loss) further adjusted to exclude realized losses.

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